

Annual Report

1983

Alberta



ANNUAL REPORT

**for the fiscal year ended
March 31, 1963**

Alberta
TREASURY

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DEPUTY PROVINCIAL TREASURER'S REPORT

The 1982-83 fiscal year was one of continuing rapid change in the economic and fiscal climate of the province. Treasury was involved in the planning and implementation of a number of new government policy and programme initiatives.

Several divisions were involved in the design of programmes included in the Alberta Economic Resurgence Plan, a major government initiative to assist the recovery of the Alberta economy. Phase I of the plan involved reductions in royalties on crude oil and natural gas production, an enriched Royalty Tax Credit (a programme aimed primarily at small oil and gas producers) and an instalment mechanism to advance the credit payments to eligible corporations. Phase II of the plan included new programmes to shield homeowners, farmers and small businesses from high and volatile interest costs. The Office of the Controller, Fiscal Policy and Economics branch, Finance branch, Budget and Management branch and Revenue Administration branch all played key roles in the design and implementation of these initiatives.

Linked to the economic resurgence plan were two policy developments regarding the Alberta Heritage Savings Trust Fund. For two years commencing Sep-82, the Fund's income will be transferred to the General Revenue Fund. In addition, in 1983-84, 15 per cent of the nonrenewable resource revenue received by the government will be transferred to the Heritage Fund, compared to 30 per cent previously. These changes, combined with the budgetary deficit incurred in 1982-83, required Alberta Provincial corporations guaranteed by the Province, and the Province itself, to raise money in the Canadian capital markets for the first time in more than 10 years. The Finance branch implemented a weekly Treasury Bill

suction in Jun-82. The branch also organized two debt issues, totalling \$450 million, for the Alberta Municipal Financing Corporation in the latter part of the fiscal year.

Government departments, including Treasury, are striving to maintain or enhance service levels with significant constraints on resources. Treasury's role is in sound budget planning and financial management. This function, which is particularly that of the Budget and Management branch, is increasingly prominent in this environment.

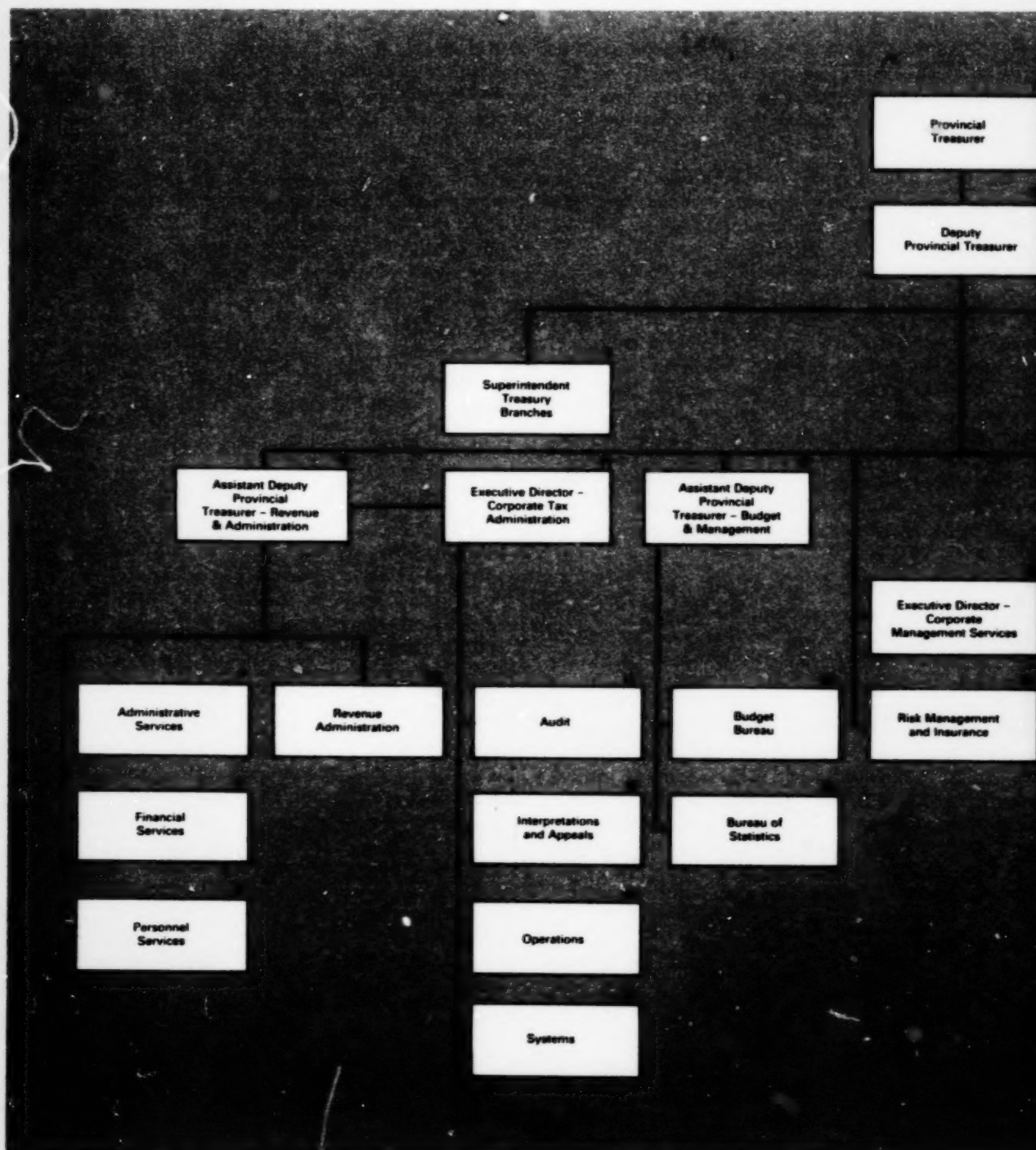
To ensure effective administration of the Alberta Farm Fuel Distribution Allowance programme, Revenue and Administration branch established a comprehensive communication programme during the year to encourage participants to file the necessary declaration forms. As a result of changes made in Phase I of the economic resurgence plan, about \$63 million was paid to farmers in 1982-83 to help lower their fuel costs.

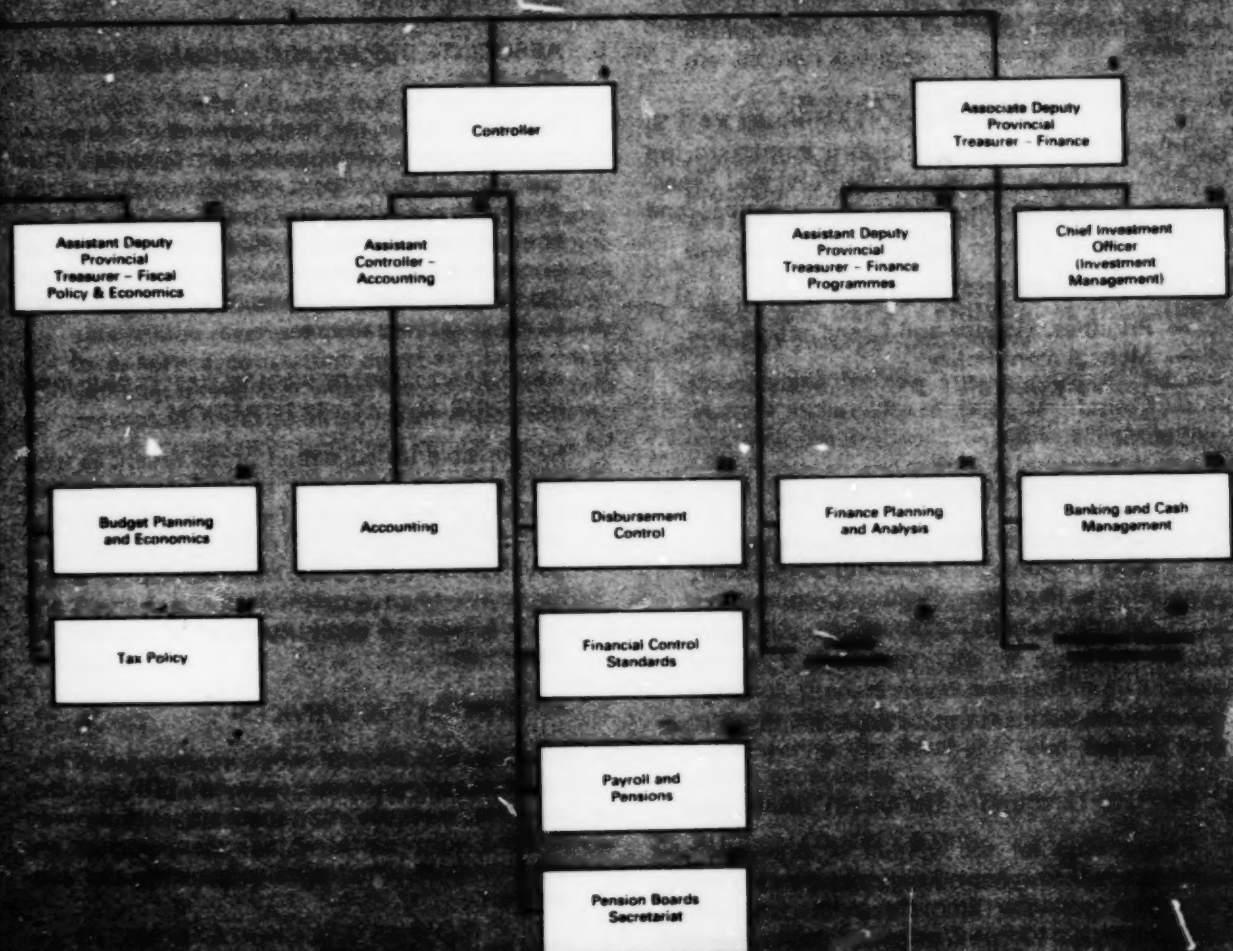
A key personnel change during the year occurred when Ron Holgate became Superintendent of Alberta Treasury Branches upon the retirement of Fred Sparrow. During the year, Treasury Branches' assets increased by \$277 million to reach \$2.984 billion with loans reaching \$2.458 billion. Deposits increased by \$288 million to reach \$2.925 billion at year end.

The Alberta Municipal Financing Corporation issued new loans totalling \$1.12 billion, the largest annual volume of new loans in its history. Total outstanding loans passed the \$4 billion mark, with interest rates dropping sharply in the final months of the year, from 17 per cent to 13 1/4 per cent at year end.

A.F. Collins
Deputy Provincial Treasurer

ORGANIZATIONAL CHART





FUNCTIONAL RESPONSIBILITIES OF THE PROVINCIAL TREASURER, DEPUTY PROVINCIAL TREASURER, SENIOR MANAGEMENT, DIVISIONS, SECTIONS AND REPORTING ORGANIZATIONS

1. PROVINCIAL TREASURER

The Provincial Treasurer, in accordance with the provisions of the Financial Administration Act, is responsible for the collection, management, control and reporting of revenue and expenditure; borrowings, investments, cash management; financial and budgetary procedures of the Crown, including the Alberta Heritage Savings Trust Fund; fiscal and economic planning; the development of tax policies and administration of corporate taxation and business incentives; and administration of public sector pension plans.

2. DEPUTY PROVINCIAL TREASURER

In addition to managing and administering Alberta Treasury, the Deputy Provincial Treasurer serves on the following committees and boards:

Cabinet committees

- Priorities, Finance and Coordination
- Management Policy
- Treasury Board

Boards

- Alberta Government Telephones Commission
- Alberta Home Mortgage Corporation
- Alberta Municipal Financing Corporation
- Alberta Resources Railway Corporation
- Alberta Housing Corporation

Committees

- Health Sciences Centre Implementation Committee

3. SUPERINTENDENT - TREASURY BRANCHES

Responsible for the system of branches and agencies throughout the province which accept money on deposit from the public, loan money to persons and firms, provide safekeeping facilities to the public, act as agent of the government for the issuance of various licences, collection of fees, etc. The objective is to provide a full range

of financial services to all areas of the province and to earn a profit on operations for the benefit of all Albertans.

4. CONTROLLER

Prescribe accounting, financial control and reporting policies and procedures for financial administration in departments, and procedures for the administration of government pension plans; make recommendations on pensions policy and legislation.

5. ASSOCIATE DEPUTY PROVINCIAL TREASURER FINANCE

Responsible for the management of the province's major financial assets and liabilities. This includes: all investment activities, including the Alberta Heritage Savings Trust Fund; cash management and banking activity; loan and other guarantees; financing of Crown corporation capital budgets; and management of the Province's borrowing programmes.

6. ASSISTANT DEPUTY PROVINCIAL TREASURER REVENUE AND ADMINISTRATION

Responsible for collection of tax revenues (corporate, fuel oil, tobacco, pari mutuel), administration of the Alberta Farm Fuel Distribution Allowance programme, collection of past-due government receivables, administration of ongoing review of government fees and charges, and for provision of administrative services to the department.

7. ADMINISTRATIVE SERVICES

Manage departmental communications, building services and space management, EDP services, libraries, records management and provide related administrative services. Implement departmental administrative policies and procedures.

8. FINANCIAL SERVICES

Manage departmental accounting, budgeting, internal control and internal financial reporting.

Administer garnishees/third party demands on government employees and vendors doing business with the government. Maintain a registry for direct interest payments on public debt. Provide a safekeeping service to government departments.

9. PERSONNEL SERVICES

Provide a comprehensive personnel service to management and employees of Alberta Treasury.

10. REVENUE ADMINISTRATION

Collect Alberta tobacco, fuel oil and parimutuel taxes; administer the system for provision and control of the Alberta Farm Fuel Distribution Allowance and the Public Utilities Income Tax Rebate Programme; audit the records of agents, tax collectors and dealers; operate a central collection service to maximize the recovery of debt owing to the Crown; review, analyse and evaluate minor revenues collected by departments to ensure a consistent approach to revenue administration, cost effectiveness and efficient processes, procedures and control practices for revenue collection; operate a central service for collection and control of government revenues.

11. CORPORATE TAX ADMINISTRATION, EXECUTIVE DIRECTOR

Plan, develop and maintain operational functions related to the collection of Alberta corporate income tax.

12. AUDIT

Carry out verification of declared income tax and claims for incentive entitlements. Identify areas where taxpayers have incorrectly minimized declared income for tax purposes or have maximized incentive eligibility.

13. INTERPRETATIONS AND APPEALS

Assist taxpayers and tax practitioners in the interpretation and application of the Alberta Corporate Income Tax Act by providing rulings and

opinions. Respond to objections and appeals made by taxpayers in respect of assessed taxes.

14. OPERATIONS

Process corporate income tax returns, maintain taxpayer accounts and provide for the collection of taxes arising therefrom.

15. SYSTEMS

Support the administrative, operational and management information requirements through manual and automated systems.

16. TAX INFORMATION SERVICES

Communicate the provisions, procedures and programme of the Alberta Corporate Income Tax Act and ensure the quality, comprehensiveness and timeliness of public contact.

17. ASSISTANT DEPUTY PROVINCIAL TREASURER BUDGET AND MANAGEMENT

Responsible for the management of the provincial expenditure budget planning and approval process, for cross-government administrative policy and statistical information on economic and social conditions in the province.

18. BUDGET BUREAU

Review and analyse departmental and agency expenditure proposals, prepare and coordinate annual budget estimates of departments and agencies, prepare recommendations on financial resource allocations, monitor changes in budget plans during the fiscal year and develop budgetary procedures.

19. BUREAU OF STATISTICS

Provide statistical information on economic and social conditions in the province, collaborate with departments in the publication of related departmental statistical information and promote and coordinate plans for the collection and integration of statistics pertaining to Alberta.

20. EXECUTIVE DIRECTOR, CORPORATE MANAGEMENT SERVICES

Responsible for the administration of the Alberta Municipal Financing Corporation as its general manager. Provide corporate accounting services for the Alberta Resources Railway Corporation and advisory services regarding Treasury's responsibilities on various boards and committees.

21. RISK MANAGEMENT AND INSURANCE

Administer and coordinate the government's insurance and risk management programme, including analysis of risk, negotiation for insurance coverage, analysis of contracts, management of government self-insured exposure. Assist and provide specialized insurance services to Crown corporations, payment of claims, compilation of loss statistics, analysis of insurance losses and establish a loss prevention programme on a government-wide basis.

22. ASSISTANT DEPUTY PROVINCIAL TREASURER FISCAL POLICY & ECONOMICS

Responsible for provision of policy research, analysis and recommendations on the province's budget plan, economic and taxation policies and intergovernmental fiscal relations, as well as for the development of legislation implementing the government's tax policy decisions.

23. BUDGET PLANNING AND ECONOMICS

Responsible for research, analysis and policy advice concerning short- and medium-term budget planning for the government, monitoring of the government's financial plan, current and future economic conditions in Alberta and Canada, a variety of specific fiscal and economic issues and intergovernmental fiscal relations.

24. TAX POLICY

Analyse policy issues regarding the government's own-source revenue structure, analyse and develop tax programmes to meet government objectives, develop tax legislation

and regulations, liaise with Corporate Tax Administration, Revenue Administration and Revenue Canada relative to implementation and ongoing administration of tax programmes.

25. ACCOUNTING

Develop accounting and financial reporting policies, operate systems to control issued and negotiated cheques and replacement cheques, accountable advances, payment reporting, revenue distribution and reporting and general ledger accounting; prepare interim financial statements and the Public Accounts.

26. DISBURSEMENT CONTROL

Operate the central government payment of accounts system, and examine proposed disbursements for legality, authority and availability of funds.

27. FINANCIAL CONTROL STANDARDS

Develop and communicate financial control policies and procedures, monitor departmental compliance with prescribed standards, and provide advice and assistance to departments in improving control systems and procedures.

28. PAYROLL AND PENSIONS

Operate the central government payroll system, and administer six government pension plans, including the collection of pension contributions and determination and payment of pension benefits.

29. PENSION BOARDS SECRETARIAT

Analyze and make recommendations on pension policy and legislation and provide support services to the Pension Boards.

30. ASSISTANT DEPUTY PROVINCIAL TREASURER FINANCE PROGRAMMES

Responsible for managing the planning, administration and arrangement of all nonmarket investments for the Alberta Heritage Savings

Trust Fund; the financial and administrative aspects of advances and guaranteed loans; and development of policy on a broad range of government financing arrangements.

control all investment settlement activities. Provide investment control, accounting and information reporting services by operating investment-related computer and manual systems.

31. FINANCE PLANNING AND ANALYSIS

Provide overall planning and administration for the Alberta Heritage Savings Trust Fund; budget review and monitoring of Capital Projects Division investments under the Heritage Fund; and analysis and policy development of government financing arrangements including Crown corporation budgets and programmes.

32. PROJECT INVESTMENTS

Document and administer all investments under the Canada, Alberta, and Energy Investments divisions of the Alberta Heritage Savings Trust Fund. Manage the financial and administrative aspects of the government's guaranteed loan programmes, develop policies and regulations respecting guaranteed loans, administer a variety of advances to funds and agencies, and analyse and recommend government involvement in loans or guaranteed loans for specific entities.

33. CHIEF INVESTMENT OFFICER (Investment Management)

Provide short- and long-term investment management for various government accounts. Conduct capital market and investment risk analysis.

34. BANKING AND CASH MANAGEMENT

Manage the banking relationships of government, including bank accounts, cash management systems, and project and analyse government cash flows on short (daily and weekly) and medium terms (up to one year). Ensure investment receipts are collected as specified. Administer the government's debt portfolio.

35. INVESTMENT SYSTEMS AND SETTLEMENTS

Develop, operate and maintain manual and automated finance-related systems. Administer and

ALBERTA TREASURY BRANCHES

FUNCTIONS

- Operate a system of branches, sub-branches and agencies throughout the province to provide Albertans access to a full range of financial services at reasonable costs.
- Primary responsibilities include:
 - accepting money on deposit
 - loaning money to the public
 - providing safekeeping facilities to the public
 - certain branches act as an agent of the government for the issuance of various licences, collection of fees, etc.
 - earning a profit on operations for the benefit of all Albertans.

HIGHLIGHTS

- The Treasury Branch is the only financial service available in over 65 communities in the province.
- Continued expansion of the branch and agency system. There are now 128 branches, one sub-branch and 100 agencies.
- Treasury Branches opened new offices in 1982-83 at:
 - Strathmore (3-May-82)
 - Carstairs (14-Jun-82)
 - Boyle (21-Jun-82)
 - Edmonton Terrace Plaza (21-Jun-82)
 - Raymond (19-Jul-82)
 - Crossfield (13-Sep-82)

- Agency service was extended to the communities of:
 - Metiskow (3-May-82)
 - Chauvin (14-Sep-82)
 - Rockyford (14-Oct-82)
 - Waskatenau (8-Nov-82)
 - Glendon (17-Jan-83)
 - Stavely (22-Feb-83)

- Introduced a Registered Home Ownership Savings Plan (RHOSP) in Oct-82, providing a deposit vehicle to which an individual can contribute money for the purchase of a home.

The contributions, up to the allowable maximum, may be deducted from income for income tax purposes. The investor is offered a deposit account similar to a savings account. The income earned from the contributions is accumulated tax-free within the plan.

- Continued automation of branches during the year, with 16 branches converted to the demand deposit accounting system, bringing the total to 42. Also during the year, 33 branches were converted to the "on-line" system, for a total of 52 as at 31-Mar-83.

NOTE: A comprehensive review is published annually with extensive detail on the financial operations and activities of Alberta Treasury Branches. Copies may be obtained from any of the branches or agencies, or from the address listed in Appendix C.

OFFICE OF THE CONTROLLER

ACCOUNTING

FUNCTIONS

- Develop accounting and financial reporting policies for implementation throughout the government; review proposed legislation for accounting and financial reporting implications.
- Administer EDP systems for the control and reconciliation of issued and negotiated cheques and control of replacement cheques, payment reporting, control of accountable advances, revenue distribution and reporting and general ledger accounting.
- Maintain the financial records of all funds administered by Treasury, prepare interim financial reports, as required, and annual financial statements for inclusion in the Public Accounts.
- Prepare the consolidated financial statements of the Province; prepare the Public Accounts and supplementary reports of payments by payee.

HIGHLIGHTS

- Implemented a new EDP general ledger accounting system, resulting in enhanced control of departmental financial transactions and more timely preparation of financial statements.
- Developed a new EDP revenue distribution and reporting system for implementation on 1-Apr-83 to provide improved control of cash receipts and more timely reporting of revenue to users of the system.
- Made improvements to the cheque reconciliation system and handling of negotiated cheques, enabling the processing of significantly increased volumes of cheques without staff increases and with the elimination of overtime.
- Effected improvements to the payee reporting system which resulted in much more timely preparation of the payee report supplement to the Public Accounts.

DISBURSEMENT CONTROL

FUNCTIONS

- Examine proposed disbursements for legality, authority and availability of funds.
- Operate the Alberta Financial Information System for the payment of accounts, maintenance of payment records and the issuing of cheques.

HIGHLIGHTS

- Processed more than 3.1 million cheques through the central payment of accounts system. The supporting enquiry service responded to approximately 13 requests per day from vendors seeking assistance or information.
- Monitored departmental processing times for payment transactions throughout the year. Average processing time for the government improved from 45 days at 31-Mar-82 to 32 days at 31-Mar-83.
- Conducted a pilot project, using an EDP software package, to identify the requirements of a system to replace the Alberta Financial Information System. Also assessed the feasibility of using that software with the general ledger system as an integrated budgetary control, payment and accounting system.

FINANCIAL CONTROL STANDARDS

FUNCTIONS

- Develop and communicate financial control policies, standards and procedures.
- Monitor departmental compliance with prescribed standards.
- Assist departments to develop and implement financial control systems and procedures through training and advice.

- Coordinate the government's response to the annual report of the Auditor General and monitor responses by departments to the Auditor General's management letters.

HIGHLIGHTS

- Prepared updates to the Accounting and Financial Control manual, including the sections on revenue, letters of credit and reconciliation procedures.
- Presented seminars to new managers on budgeting and financial control in conjunction with the Personnel Administration Office. A course on the financial and administration system in the Alberta government also was developed and presented to departmental financial officers.
- Evaluated financial controls in a number of departments, including Energy and Natural Resources, Hospitals and Medical Care, Agriculture and Personnel Administration Office.
- Established an internal audit committee to approve the annual evaluation plan for Treasury and to review evaluation reports and the Auditor General's management letters.

PAYROLL AND PENSIONS

FUNCTIONS

- Control payroll disbursements in accordance with the Financial Administration Act and applicable legislation.
- Operate the central government payroll system.
- Administer six government pension plans, including the collection of pension contributions and determination and payment of pension benefits.

HIGHLIGHTS

- Completed a significant backlog of requests for recognition of prior pensionable service under the various government plans. Inquiries now are up-to-date.
- Evaluated the City of Calgary pension plan in terms of pensionable service and related costs, for transfer to the Local Authorities and Special Forces pension plans.
- Completed actuarial valuations and cash flow projections for public sector pension plans at a uniform date for the first time.
- Transferred responsibility for administering the government's Long-Term Disability Income Plan to Personnel Administration Office, and clearly defined the role and activities of an employing department in the operation of the plan.
- As of 31-Mar-83, there were approximately 132,000 pension contributors to the pension plans, an increase of 10 per cent over the previous year. There were approximately 500 participating employers. The number of pensioners increased from 14,400 in 1981-82 to 16,000 in 1982-83, an increase of 11 per cent.
- Issued more than 1.1 million payroll cheques, totalling more than \$1 billion, to almost 60,000 employees.

PENSION BOARDS SECRETARIAT

FUNCTIONS

- Analyse the impact of pension policy proposals, and draft legislation for new plans or legislative amendments for existing plans and regulations.
- Negotiate reciprocal agreements with other pension authorities for approval by Pension Boards.

-
- Provide support services to Pension Boards responsible for the operation of six pension plans: Public Service, Public Service Management, M.L.A., Local Authorities, Special Forces and Universities' Academic.

HIGHLIGHTS

- Reorganized the former "Office of the Chairman" as the Pension Boards Secretariat, reporting to the Controller, effective 1-Jul-82.
- Presented a paper on mandatory retirement age to a conference held by the Canadian Public Service Pension Advisors Committee.
- Concluded 12 reciprocal agreements with other provincial and federal agencies across Canada.
- Presented pension information seminars and pre-retirement seminars to approximately 4,645 people as part of the communication programme of the Secretariat. Also prepared 272 individual pension cases for consideration by the Pension Boards.
- Assisted in the development and drafting of Bill 38, the Pension Statutes Amendment Act, which received royal assent in 1982.

BUDGET AND MANAGEMENT

BUDGET BUREAU

FUNCTIONS

- Assure that budgetary procedures facilitate the implementation and control of government programmes.
- Provide information and policy analysis to assist the Cabinet committee on Finance, Priorities and Coordination in making financial resource allocations.
- Specific responsibilities are to:
 - prepare and coordinate for submission to the legislature the annual budget estimates of departments and agencies;
 - assess budget implications of new programmes in legislative proposals for consideration by the Provincial Treasurer, the Finance, Priorities and Coordination committee and Cabinet;
 - review and analyse requests for special warrants prior to Cabinet review;
 - analyse and make recommendations on requests for transfers of funds prior to consideration by the Provincial Treasurer;
 - review and analyse requests for land purchases through the Government Land Purchase Fund;
 - review and analyse trends implicit in multi-year programmes and annual estimates of expenditure for consideration by the Provincial Treasurer and the Finance, Priorities and Coordination committee; and
 - develop improved budgetary procedures and prepare recommendations on various aspects of budget administration.

HIGHLIGHTS

- Prepared analyses and coordinated the review of departmental submissions for the 1983-84 Estimates of Expenditure, including separate estimates for the Legislative Assembly.
- Assisted with budget preparation for programmes associated with the Alberta Economic

Resurgence Plan, for incorporation in the Supplementary Estimates of Expenditure (A), 1982-83.

- Assisted Executive Council in coordinating the administrative transfers required to effect the reorganization of government departments following the provincial election in the fall of 1982. Provided input to effect changes to the Alberta Financial Information System necessitated by the reorganization.
- Organized the first annual Interprovincial Budgeting Practices Conference at Banff in Apr-82. Budget practitioners from the federal government and all but two of the provinces met to exchange information concerning various techniques and policies.
- Helped formulate a Treasury Board directive related to the approval procedure for funding hospital and nursing home capital construction projects.
- Provided budget policy advice on, and assisted in the coordination of, several new programme initiatives undertaken by the government, including:
 - provincial support for the XV Winter Olympics;
 - transfer of psychiatric nursing education programmes to Advanced Education;
 - transfer of Alberta Hospitals, Edmonton and Ponoka, to board governance, and
 - support for the Task Force on Capital Projects Review.

BUREAU OF STATISTICS

FUNCTIONS

- As the central statistical agency of the government, general responsibility under the Statistics Bureau Act is to collect, compile, analyse and disseminate Alberta economic, demographic and social statistics, as well as to advise and educate users.

- Specific responsibilities are to:
 - determine and respond to the needs of both public and private sector users, including providing required statistical data for the policy and planning functions of the Alberta government and the decision-making processes in the private sector;
 - provide methodological assistance to and coordinate the existing and proposed statistical activities of government departments;
 - assist government departments with the publication of related departmental statistical information;
 - collaborate with Statistics Canada and other provincial partners within the statistical system to minimize duplication and to maintain statistical standards.

HIGHLIGHTS

- Distributed more than 51,000 publications and responded to 7,206 requests. Approximately 48 per cent of requests originated within government, 32 per cent from the business sector and the remainder came from private individuals, the academic community and others.
- Expanded the bureau's census-related activities to coincide with the release of 1981 Census of Canada information. A special Census NEWS-TATS, providing users of census data with current information regarding census activities, was developed and distributed on a regular basis to a mailing list in excess of 350 statistical users. Census seminars were prepared and presented to approximately 200 people in five centres in the province. The bureau also answered 1,029 requests for census information, an 11 per cent increase over last year.
- Continued to chair the interdepartmental Statistics Coordinating Committee, which meets bi-monthly to exchange information on new statistical developments and seek solutions to areas of concern. With guidance from this body and its sub-committees, an Alberta Statistical Data Base was proposed, specified and tendered, with a plan to have a comprehensive data base in place next year. As directed by the committee, a quarterly interdepartmental information bulletin, SCC Data-Net was produced to help minimize duplication and encourage collaboration with respect to statistical methodologies, projects and needs. The subcommittee on demographic statistics continued to improve the quality of population statistics by developing a new set of population projection assumptions which reflect recent changes in economic trends in the province.
- Increased municipal census activity with pilot tests in 28 Alberta communities. As a result, a revised Enumerators' Manual, standard census forms and other census materials are available to municipalities involved in an annual census.
- Assisted Alberta government departments by:
 - consulting with 14 departments on 21 research and survey-related projects, and the provision of survey samples from the updated Alberta Business Register. In addition, a three-day survey methodology seminar was developed and presented to personnel representing 23 government departments or agencies;
 - updating and expanding the postal code translator file;
 - presenting 30 seminars designed to increase awareness, availability and application of the bureau's statistical data and services.
- Improved the effectiveness and efficiency of providing statistical information through introduction of a user evaluation of bureau publications and an enhancement of existing programmes to derive demographic data from administrative files, such as Alberta Health Care. In addition, methodological improvements were incorporated in the production of economic accounts, population estimates, and base data input for population projections. The latter resulted in the publication of Population Projections, Alberta, 1982-2011.
- Undertook major surveys to collect pay and benefit statistics, retail and service trade data, place-to-place price comparisons and principal statistics on Alberta's manufacturing industries.

- Initiated a number of major ongoing projects and activities:

- two new profiles were developed using 1981 Census data. Provincial Electoral Districts for Alberta: Report No. 1 has been published and Report No. 2 will be issued following the release of additional census data;
- a project to provide economic multipliers based on 1974 input-output tables is in progress;
- a study on the structural differences in the Alberta economy is being conducted;
- the feasibility of standardized geographic ref-

erencing of statistical data is being researched.

- All publications now available from the Alberta Bureau of Statistics are listed in Appendix C.
- Note: A Users' Guide is available to those interested in further information. This brochure presents an overview of information and services available through the Bureau of Statistics. Included are sections on how to obtain information, a discussion of programme objectives and activities and a brief description of each of the bureau's publications.

BANKING AND CASH MANAGEMENT

FUNCTIONS

- Manage the banking operations of the provincial government and designated boards and agencies. Monitor the organization of provincial banking to ensure that effective cash management practices (such as funds collection systems, payments systems and cash concentration systems) are in place for optimal cash utilization. Provide effective methods of making government payments in foreign currencies. Maintain a high level of cash management expertise to be available to independent corporations, boards and agencies.
- Project and analyse all government cash flows, including the Consolidated Cash Investment Trust Fund (CCITF), in order to prepare cash flow forecasts on a daily, weekly and monthly basis which assist investment and debt management decisions.
- Administer the CCITF system, including banking arrangements, balancing, monthly and quarterly reports, and earnings distribution.
- Monitor receipt of investment income and deposit all income received to proper accounts.
- Administer all provincial debt to ensure payment of interest on due date and principal upon maturity, as well as the allocation of sinking fund payments.

HIGHLIGHTS

- Developed and implemented banking arrangements for financing, such as Treasury Bills, revolving credit facility and AMFC long-term debt.
- Assisted departments in the development and implementation of various payment processes related to new programmes, such as:
 - Alberta Heritage Fund Mortgage Interest Reduction Program
 - Alberta Heritage Fund Small Business and Farm Interest Shielding Program
 - Seniors' Home Improvement Program
 - Alberta Petroleum Incentive Program

- Participated in a review of the further use of direct deposit, which will be implemented under some major grant programmes in early 1983-84.
- Continued improvement in cash management practices, particularly through improved revenue collection systems and utilization of account balances.
- Aided several boards and agencies in improving cash management practices.
- Prepared for introduction of better methods of processing foreign securities in 1983-84.
- Developed the use of letters of credit to reduce the requirement for cash deposits for firms dealing with the Alberta government.

FINANCE PLANNING AND ANALYSIS

FUNCTIONS

- Coordinate Treasury's planning and policy analysis related to the Alberta Heritage Savings Trust Fund.
- Review potential investments for the Alberta and Energy Investment Divisions of the Alberta Heritage Savings Trust Fund for the purpose of preparing advice on whether investment criteria can be met.
- Provide economic and financial analysis of projects where government support or investment is being considered.
- Analyse and provide recommendations on capital budgets and financing requirements of Provincial Crown corporations.
- Analyse and make recommendations on proposals for new funds, agencies and Provincial corporation programmes.
- Provide analysis on a broad range of financial issues for the purpose of recommending alternative policies to integrate the economic and financial policies of the government.
- Manage the budget cycle for the Capital Projects Division of the Alberta Heritage Savings Trust

Fund, including analysis of investment proposals and the preparation of estimates of proposed investment for submission to the Legislative Assembly.

- Review and analyse expenditure trends in Heritage Fund Capital Projects; analyse and make recommendations on requests for funds transfers and on proposals for programme changes.
- Prepare the quarterly and annual reports of the Alberta Heritage Savings Trust Fund; prepare those sections of the Budget Address and other publications related to the Heritage Fund and Provincial Crown corporations.

HIGHLIGHTS

- Participated in analysis pertaining to the development of several components of the Alberta Economic Resurgence Plan.
- Developed proposals for modifications to the Heritage Fund related to financing of the Economic Resurgence Plan and to changes in the government's financial position.
- Worked with Legislative Counsel on amendments to the Alberta Heritage Savings Trust Fund Act. These amendments, which were passed in the 1983 spring session, included a reduction in the proportion of resource revenue allocated to the Heritage Fund and the transfer of the Fund's investment earnings to the General Revenue Fund for the two-year duration of the Economic Resurgence Plan.
- Provided analytical support and recommendations on a number of projects and other investment initiatives, including the Heritage Fund's investment in a new Alberta venture capital corporation.
- Reviewed the capital budgets, programmes and financing requirements of major Provincial Crown corporations, including the Alberta Housing Corporation, the Alberta Home Mortgage Corporation, Alberta Opportunity Company and Alberta Agricultural Development Corporation.

- Prepared financial evaluations and analysis as input to interdepartmental committees considering issues and initiatives with significant financial implications.
- Developed computerized systems internally for Heritage Fund forecasting and the financial evaluation of projects, with substantial savings realized in the budget for these services.

INVESTMENT MANAGEMENT

FUNCTIONS

- Develop and implement strategies for the investment of cash reserves, long-term investment portfolios and various sinking funds of the province and a number of its agencies.
- Assist in maintaining an orderly market for publicly-traded securities issued and/or guaranteed by the Province of Alberta.
- Provide investment research as input to investment strategies and the execution of investment transactions.

HIGHLIGHTS

- Major portfolios under management:
 - General Revenue Fund (GRF)

The GRF provides for the basic liquidity requirements of the province. In view of budget deficits, the investment strategy moved to enhance the liquidity of the GRF through sales of long-term bonds into a rising market.
 - Pension Fund

With a year-end value of \$1.7 billion, the Pension Fund was the largest single fund under administration. It provides a partial offset to the pension liabilities of the province. Starting with a \$1.1 billion transfer of cash and securities from the GRF in 1981, a significant portion of the initial short-term assets and

subsequent contributions have been diversified into a broad range of bonds, equities, mortgages and real estate.

— Consolidated Cash Investment Trust Fund (CCITF)

This cash management facility provides participants with the benefits of fully-invested cash balances along with full liquidity. Investments are concentrated in high-grade, short-term securities.

— AHSTF/Section 10

The surplus funds of the AHSTF are managed under Section 10 of the Alberta Heritage Savings Trust Fund Act. These monies are invested in a variety of marketable fixed income securities to provide liquidity for the other Divisions while, at the same time, enhancing the return on funds not yet committed to other Divisions.

In response to increased commitments of the other Divisions, new investments were directed to short-term securities. Longer-term security holdings were liquidated as market conditions improved.

— AHSTF/Commercial Investment Division

This Division, which commenced operations in 1981-82, seeks to attain commercial rates of return through equity investments. The broadly based portfolio of Canadian equities was expanded during the year to a closing level of about \$170 million. The remainder of the \$200 million portfolio is in high-quality, short-term instruments.

— Workers' Compensation Fund

This fund's investments continued to be diversified under broader investment parameters which were introduced last year. It continues to grow significantly through income and contributions, reaching about \$590 million by year-end.

— Endowment Funds

The Medical Research Endowment Fund (MREF) was established to support research sponsored by the Alberta Heritage Founda-

tion for Medical Research. The Alberta Heritage Scholarship Trust Fund is an endowment to provide a wide range of scholarships for Albertans.

Investments in both funds are being undertaken to provide for the developing expenditure programmes.

— Deposits Fund (Alberta Treasury Branches)

To enhance the overall return of Treasury Branches, surplus monies of the fund not required for Treasury Branches' operations are invested in high-grade, short-term securities.

— Sinking Fund

Sinking fund operations for the Alberta Municipal Financing Corporation, Province of Alberta, Alberta Resources Railway and the Alberta Universities Commission provided for the eventual retirement of the issues, as well as marketability for current holders of the securities issued by these bodies.

• Other:

Progressed with implementation of a commercial mortgage analysis and reporting system.

Began the second stage of the division's performance measurement system.

INVESTMENT SYSTEMS AND SETTLEMENTS

FUNCTIONS

- Arrange for the settlement of investment transactions for the General Revenue Fund, the Alberta Heritage Savings Trust Fund, the Consolidated Cash Investment Trust Fund, the Pension Fund and other investment funds.
- Provide investment control, accounting and information reporting services for the above funds by operating the Treasury investment information system, the Consolidated Cash Investment Trust Fund systems and other computer and manual systems.

- Manage the ongoing maintenance and development of systems to support the control, accounting and management information functions of Treasury's finance and investment activities.

HIGHLIGHTS

- Settled approximately 10,500 investment transactions during the year.
- Undertook responsibility for accounting related to individual mortgages, real estate and private placement investments.
- Undertook responsibility for monitoring investment controls.
- Undertook responsibility for settlement of Alberta Treasury Bills.
- Completed selection of a U.S. custodian bank to perform settlement and custody functions for U.S. pay securities.
- Completed a comprehensive policy and procedures manual for Investment Settlements and Controls.
- Implemented plans to use microcomputers in an effort to reduce computing costs.
- Developed a long-term cash forecasting system for Alberta Heritage Savings Trust Fund investments.
- Commenced planning for development of new systems to replace the Treasury investment information system.

PROJECT INVESTMENTS

FUNCTIONS

- Document and administer all investments under

the Alberta, Energy and Canada Investment Divisions of the Alberta Heritage Savings Trust Fund.

- Manage the financial and administrative aspects of the government's guaranteed loan programmes.
- Develop policies and regulations respecting guaranteed loans.
- Provide analysis and recommendations on a broad range of investment proposals and guaranteed loan proposals, and develop alternative forms and levels of government participation for specific entities.
- Administer and control a variety of advances to funds and agencies.

HIGHLIGHTS

- Administered new loans totalling \$1.9 billion to six major Provincial Corporations under the auspices of the Alberta Investment Division.
- Provided analytical assistance to four interdepartmental committees reviewing major investment proposals for the province.
- Coordinated the documentation for and administered the issue of Province of Alberta Treasury Bills.
- Administered a total of \$3.5 billion of guaranteed loans and debenture debt during the year.
- Coordinated the documentation for a revolving term credit facility.
- Completed transactions totalling \$43 million under the auspices of the Government Land Purchases Act.
- Coordinated the documentation for public debt issues of Alberta Municipal Financing Corporation totalling \$450 million.

FISCAL POLICY AND ECONOMICS

BUDGET PLANNING AND ECONOMICS

FUNCTIONS

- Plan and coordinate the preparation of the annual provincial Budget Address.
- Report on the current economic situation and analyse the outlook for the provincial, national and international economies.
- Prepare estimates of the government's short- and medium-term fiscal position, identifying factors affecting that position and analysing policy options.
- Monitor the government's financial plan through the year and coordinate the preparation of the annual Financial Summary and Budgetary Review.
- Analyse and make policy recommendations concerning the fiscal and economic aspects of:
 - i) government programmes and policies, and
 - ii) other issues, such as interest rates, public sector compensation and pension policy.
- Analyse and make policy recommendations on federal-provincial and provincial-municipal fiscal relations.

HIGHLIGHTS

- Coordinated the planning and preparation of the 1983 Budget Address.
- Participated in the development of many of the new programmes included in the Alberta Economic Resurgence Plan.
- Monitored and analysed the Alberta economy and the government's budgetary position throughout the year.
- Participated in numerous federal-provincial and interprovincial meetings on fiscal and economic matters.
- Contributed to federal-provincial discussions on the financing of health care and post-secondary education.

- Prepared briefing material for federal-provincial and interprovincial meetings of First Ministers and Finance Ministers.
- Coordinated the preparation of the Alberta position paper, "The Road to Recovery: Restoring Investor Confidence" released at the Annual Premiers' Conference in Aug-82.
- Contributed to the preparation of the Financial Summary and Budgetary Review, 1981-82.
- Reviewed and contributed to the overall assessment of the federal government's economic policies.

TAX POLICY

FUNCTIONS

- Analyse the impact of federal and provincial tax policies, and recommend Alberta tax measures to serve specific objectives. Coordinate drafting of tax legislation.
- Liaise with Revenue Canada and Alberta Treasury's Corporate Tax Administration and Revenue Administration divisions with respect to the implementation and ongoing administration of tax programmes.
- Evaluate the impact of Alberta resource levies on industry and provincial revenue; provide input on the design of specific resource-related programmes; advise on integration of Alberta resource levies and the tax system.

HIGHLIGHTS

- Provided analysis on the enrichment of the Alberta Renter Assistance Tax Credit and Alberta Political Contributions Tax Credit, and the modification of the rate of the Extended Alberta Rental Investment Incentive Tax Credit.
- Developed a mechanism to ensure the intended application of the Alberta Royalty Tax Credit. Liaised with industry on implementation and coordinated the drafting of legislation.

-
- Analysed and made recommendations on the provincial tax structure, which resulted in modification in the tobacco tax rate, health care premiums and liquor charges.
 - Coordinated drafting of the Alberta Corporate Income Tax Amendment Act, 1982 and 1983, and the Alberta Income Tax Amendment Act, 1982 and 1983.
 - Participated in the analysis of restructuring the tax on freehold mineral rights.
 - Participated in the analysis of existing and proposed synthetic and heavy oil projects, and the design of a fiscal package.
 - Analysed and made recommendations on various tax issues of national interest for Finance Ministers and First Ministers meetings, and participated in the preparation of "The Road to Recovery: Restoring Investor Confidence".
 - Reviewed the 28-Jun-82 federal budget, 27-Oct-82 federal economic outlook, and 30-Sep-82 Report of the Ministerial Advisory Committee on Inflation and the Taxation of Personal Investment Income.
 - Responded to numerous enquiries on the Alberta and federal tax systems, provincial sales taxes and provincial tax programmes.
 - Received and reviewed numerous proposals and questions from the public on Alberta tax policy.

REVENUE

CORPORATE TAX ADMINISTRATION

—Audit

FUNCTIONS

- Develop and maintain an audit capability consistent with the incentive nature of ACITA, while encouraging voluntary compliance, deterring tax avoidance and ensuring uniform application of the law.
- Utilize efficient audit techniques, including sophisticated computer software to identify potential candidates for audit.
- Implement a programme of limited "desk" audits and in-depth "field" audits.
- Coordinate Alberta tax audit activities with those of other agencies and governments, where possible.

HIGHLIGHTS

- Opened a Calgary office to provide prompt and effective service in southern Alberta. The office acts as an audit operations base, and provides a procedural enquiry service for taxpayers. The office does not, however, process tax returns or provide assessments or accounts functions. These activities continue to be centralized in Edmonton.
- Commenced the field audit compliance programme operating from Edmonton and Calgary. Several special investigations were undertaken to evaluate and monitor potential or perceived abuses of Alberta incentive programmes.
- Completed development of a computerized audit selection system, to ensure impartiality in audit selection.

—Interpretations and Appeals

FUNCTIONS

- Issue binding advance tax rulings to clarify tax implications of major business transactions.

- Review taxpayers' objections and confirm, vary or vacate assessments in strict conformity to the law.
- Provide information to the corporate tax community by publishing interpretation bulletins, information circulars and rulings. Respond to technical enquiries.
- Assist in drafting proposed legislation, especially from an administrative perspective.

HIGHLIGHTS

- Established procedures for the taxpayer objections and appeals process.
- Rendered several advance rulings and statutory or technical interpretations for corporations.
- Proposed changes to legislation and administrative regulations.
- Issued six Information Circulars.

—Operations

FUNCTIONS

- Identify corporations subject to ACITA and maintain the tax roll; ensure each corporation files information and returns as required by law, voluntarily or by legal enforcement.
- Develop and maintain accounting, assessment and collections functions for the Administration.
- Examine all tax returns or accounts; calculate tax, penalties or interest payable; advise corporations of assessment results and account status.
- Maintain corporate accounts, including billing, refunding and cash management.
- Ensure all documents concerning corporate registration and filings, as well as administrative correspondence and other documents, are stored accurately and securely.

HIGHLIGHTS

- Confirmed 95,102 corporations as having active operations in Alberta.
- Processed 94,918 tax payments, for a total of \$545 million.
- Received 78,676 tax returns and assessed 71,823.
- Processed more than \$650 million of entitlements to tax incentive programme payments, comprised mainly of the Rental Investment Tax Credit and Royalty Tax Credit claims. Of this amount, approximately \$450 million was attributable to Royalty Tax Credit instalments.
- Commenced filing compliance activity to obtain tax returns from corporations which had not submitted a return by the deadline date. In this regard, the Alberta administration and Revenue Canada now share data related to filing of returns on a regular and automated basis.
- Completed design, testing and implementation of a collection system, assuring prompt and efficient collection of delinquent accounts.
- Converted taxpayer case files to a micrographic storage and retrieval system to reduce costs and provide efficient records management.

—Systems

FUNCTIONS

- Establish and maintain short- and medium-term plans to ensure effective use of data processing.
- Manage the development and implementation of new systems and system enhancements to ensure smooth start-up with minimal disruption to existing operations.
- Provide data processing facilities and operations in accordance with established schedules and agreed-upon levels of service.
- Provide management reports from the Corporate Tax Administration data base, on request.

- Plan, evaluate, select, install and maintain computer hardware and software to meet development and operational requirements.
- Design, develop and document forms and procedures required to support automated and manual operations.

HIGHLIGHTS

- Implemented the primary requirements for an automated tax operations computer system.
- Completed and implemented various subsystems including reassessments, collections, filing compliance, and tax audit selection.
- Enhanced Corporate Tax Systems to allow automated processing of tax returns affected by legislative changes.
- Introduced a computerized data selection process for use in formulation of provincial tax policies.
- Implemented an automated system to correlate Revenue Canada tax assessment data with Alberta tax returns.

—Tax Information Services

FUNCTIONS

- Communicate the provisions of the Alberta Corporate Income Tax Act (ACITA) to tax preparers and the business community to encourage compliance with the law.

HIGHLIGHTS

- Implemented a computerized enquiry system to provide prompt response to taxpayers. Online computer screens provide data on assessments, accounts, collections and corporate identification. Tracking of a tax return from its receipt by

the Administration to completion of the assessment is now possible via this online medium.

- Introduced a newsletter, "Tax Notes", to provide corporations and their advisors with a quick, reliable information source on revenue programme changes in Alberta.
- Developed an innovative distribution method for

corporate tax forms. The new method involves administration-initiated distribution to accounting firms to smooth seasonal peaks in demand for forms and provides greater control over inventory levels, with resultant cost benefits.

- Initiated the publication of office consolidations of Alberta Income Tax and Alberta Corporate Income Tax acts.

TAX ROLL

Operating companies	95,102
Non-operating companies	29,745
Unallocated companies	31,634
TOTAL	156,481

TYPE OF CORPORATION

Canadian Controlled (Private)	102,998
Alberta Professional	3,446
Other Private	7,719
Public	1,067
Other	41,251
TOTAL	156,481

CORPORATIONS BY INDUSTRY SEGMENT

Agriculture	5,477
Petroleum—Exploration and Production	5,933
Mining	782
Manufacturing	6,728
Service	26,288
Construction	18,934
Trade	16,587
Other	28,950
Not recorded	46,802
TOTAL	156,481

NEW INCORPORATIONS ADDED TO TAX ROLL

1981-82	24,514
1982-83	15,800

JURISDICTION OF INCORPORATION

Alberta	142,801
Other Canadian	10,793
Other	2,887
TOTAL	156,481

PUBLIC CONTACT

Account Enquiries	
– telephone	3,600
– correspondence	3,500
– personal contact	5
General Enquiries	
– telephone	24,000
– correspondence	60
– personal contact	375

REVENUE ADMINISTRATION

FUNCTIONS

- Collect and account for taxes due under the provisions of the Fuel Oil Administration Act and the Tobacco Tax Act.
- Administer the provision and control of the Alberta Farm Fuel Distribution Allowance and the Alberta Domestic Heating Oil Allowance.
- Administer the Utility Companies Income Tax Rebate programme.
- Audit the records of collectors and dealers under both the Fuel Oil Administration Act and the Tobacco Tax Act.
- Collect and audit pari mutuel tax pursuant to the provisions of the Pari Mutuel Tax Act.
- Operate a central collection service for government to maximize the recovery of accounts and loans in default owing to the Crown.
- Develop and encourage good collection procedures and vigorous collection efforts by departments and agencies.
- Make recommendations for compromises, remissions or write-offs of accounts and loans receivable.
- Operate a central revenue deposit service for government.
- Contract for and coordinate the armoured car service for government.
- Review and evaluate minor revenue sources such as fees, permits and other miscellaneous types of revenue and recommend changes to improve the cost-effectiveness or efficiency of the revenue collection process.
- Disseminate information and provide assistance to departments and agencies concerning federal sales tax regulations and their implications.

- Coordinate the cost accumulation and claiming process under various federal-provincial cost shared programmes.

HIGHLIGHTS

- Advised farmers of changes to the Alberta Farm Fuel Distribution Allowance, including a rebate increase to 7¢ per litre (from 2.6¢ per litre), and the requirement to complete a declaration to be eligible for the benefit. Advertisements used the slogan "Pull Ahead With Alberta Purple".
- Developed a new computerized system for processing farmer declaration information. This will provide audit selection criterion for better enforcement of the AFFDA programme.
- Drafted a new Tobacco Tax Act, including increased tax rates and streamlined administration for tax collectors.
- Held meetings with agents of the Minister under the Tobacco Tax Act and the Fuel Oil Administration Act to discuss legislative changes and administrative improvements.
- Computerized accounting of collection payments to handle the increased file load.
- Initiated a review of the collection procedures used by Crown corporations.
- Developed plans for the location of collection units in other departments to assist in their collection activities.
- Significantly increased the activities of the para-legal section.
- Established a Calgary-based audit group to better serve the southern part of the province and improve cost effectiveness.
- Expanded armoured car service to government departments in Edmonton and Calgary. Began service in Red Deer to provide greater security for revenues in transit.

- Transferred responsibility for dyeing fuels to the private sector, which proved to be beneficial to the oil companies involved and to the division as well.
- Recorded deposits to the General Revenue Fund of \$19.7 billion through the central revenue

office. Of this, \$578 million was handled by the cashiers, with the balance handled through bank direct-deposits and transfer systems or directly deposited by departments using the armoured car service. This represents almost 20,000 revenue documents processed during the year.

STATISTICAL SUMMARY 1982-83 (\$ thousands)

REVENUES COLLECTED

Taxes

Fuel oil tax	\$ 5,885
Tobacco tax	27,186
Pari Mutuel tax	11,563

Payments from Government of Canada

Cost-shared programmes	4,339
Alberta North agreement	2,138
Nutritive processing assistance	3,421
Statutory subsidies	

MANAGEMENT OF PAST-DUE GOVERNMENT RECEIVABLES

Collections	3,515
Compromises	431
Write-offs	4,325

PAYMENTS TO SUBSIDIZE ALBERTA CONSUMERS

Farm fuel costs	32,332
(Alberta Farm Fuel Distribution Allowance)	
Householder utility costs	102,468
(Utility Companies Income Tax Rebate Programme)	

CORPORATE MANAGEMENT SERVICES

FUNCTIONS

- Provide accounting, investment and debt management services to the Alberta Resources Railway Corporation.
- Manage the affairs of the Alberta Municipal Financing Corporation, a non-profit Crown corporation established to:
 - assist municipalities and other eligible local authorities to obtain capital funds at the lowest possible cost.
 - issue debentures of the corporation, guaranteed as to principal and interest by the Province of Alberta, to obtain funds for local authorities at more advantageous rates than could be arranged by municipal governments borrowing independently.
- Alberta Resources Railway Corporation
 - The outstanding long-term debt of the corporation at the end of 1982 was \$103.4 million, with assets in the sinking fund totalling \$31.8 million.
 - The tonnage rental revenue decreased to \$3.6 million in 1982, down from \$4.8 million in 1981, due to lower coal shipments.
- Alberta Municipal Financing Corporation
 - The Alberta Municipal Financing Corporation Amendment Act, 1982 provided for an increase in the borrowing limits of the corporation from \$4.3 billion to \$5.8 billion.
 - New loans issued in 1982 totalled \$1.12 billion, an increase of \$276 million from the \$844 million in total loans made in 1981.
 - The capital required to satisfy the needs of municipal, school and hospital authorities in 1982 was obtained by the corporation largely from the following sources:

Government of Alberta	\$775 million
Canada Pension Plan	
Investment Fund	\$342 million
 - On 7-Dec-82 a 20-year, 12 1/4 per cent debenture issue of \$250 million was placed in the Canadian market with a settlement date of 18-Jan-83. This represented the first public issue by the corporation since 1970.
 - Total of outstanding loans receivable was \$4.1 billion, up from \$3.1 billion at the end of 1981. Of the total outstanding loans at the end of 1982, 82 per cent was borrowed originally for municipal purposes, 17 per cent for school purposes and one per cent for hospital purposes.
 - Interest rates decreased markedly during 1982, dropping from a high of 17 per cent for 20-year term loans to a low of 13 1/4 per cent at year end.

The outstanding debt of the Alberta Municipal Financing Corporation at the end of 1982 stood at \$4.645 billion. The assets in the Sinking Fund totalled \$665 million leaving the net debenture debt of the corporation at \$3.980 billion at 31-Dec-82. The outstanding debt is analysed as follows:

Held By	Original Issue	Gross Outstanding 31-Dec-82	Outstanding as a Percentage of Total
Canada Pension Plan Investment Fund	\$2,349,375	\$2,349,375	50.6%
Government of Alberta	1,846,000	1,846,000	40.0%
Canada	Public:		
United States	300,000	300,000	6.5%
	150,000	150,000	3.3%
	<u>\$4,795,375</u>	<u>\$4,795,375</u>	<u>100.0%</u>

The Alberta Municipal Financing Corporation has loaned over \$6 billion to municipal jurisdictions since its inception in 1956. Of this amount \$4.117 billion remains outstanding at 31-Dec-82. These loans are analysed as follows:

By Jurisdiction	Principal Outstanding 31-Dec-81	New Loans Issued 1982	Principal Repaid 1982	Principal Outstanding 31-Dec-82
Cities	\$2,128,500	\$ 878,488	\$ 65,882	\$2,941,106
Towns	322,314	38,485	17,781	343,018
Villages	38,446	8,348	2,344	44,450
Counties:				
Schools	100,728	82,375	6,322	176,781
Other	48,978	18,754	3,889	63,843
Municipal districts	5,000	24	24	5,000
Improvement districts	2,000	1,000	24	2,976
Irrigation districts		1,000		1,000
Hospitals	7,000	24	24	7,000
School districts and divisions	40,000	24,000	24,000	40,000
	<u>\$3,119,956</u>	<u>\$1,122,938</u>	<u>\$117,439</u>	<u>\$4,117,455</u>
By Purpose				
Municipal	2,941,106			2,941,106
Hospital				
School				
.....				

RISK MANAGEMENT AND INSURANCE

FUNCTIONS

- Administer and coordinate a comprehensive risk management and insurance programme to protect the assets and risk of government and of other entities covered under the master programme.
- Risk assumption – determine the frequency, severity and probability of loss from actual experience plus anticipated related increases in past cost. Establish a basic aggregate value of losses for each class of insurance that will be accepted and assumed as normal or tolerable within financial capability.
- Risk control – analyse the loss experience of participating entities. Institute loss control practices by using statistics developed within the division in conjunction with physical risk data as identified by specific and continual field inspection; administration of self-assumed losses and of subrogation.
- Risk transfer – arrange to transfer risk of loss by contract to third parties other than insurance companies. Arrange to transfer to private underwriters, where economical, the risk of loss above the self-assumed exposure to cover for unexpected, accidental and severe losses to those risks not otherwise transferable.
- Provide assistance and direction to participating entities in the matter of contractual agreements, legislative documents and the like, both existing and proposed, by analysing, identifying and determining direct or indirect involvement with any form of insurance and potential liability.
- Provide assistance and direction to Crown lending institutions (Alberta Agricultural Develop-

ment Corporation, Alberta Opportunity Company, Alberta Home Mortgage Corporation) to protect the mortgage interest of each corporation. Recommend appropriate coverage to protect the financial interest of the client.

- Adjust or monitor the adjusting of all insurable losses protected under the master programme.

HIGHLIGHTS

- Developed a master Course of Construction programme for Alberta Public Works, Supply and Services.
- Reviewed various items of legislation, including the Dangerous Goods Act, the Hazardous Waste Disposal Act, the Hail and Crop Insurance Act and the Public Works Act.
- Implemented an automobile fleet loss control programme in specific areas.
- Arranged major owner-controlled insurance programmes for Alberta Environment, the Alberta Liquor Control Board, and Alberta Hospitals and Medical Care.
- Assisted in arranging for the smooth transition to board status of Alberta Hospitals, Edmonton and Ponoka, plus the Westerra, Northern and Southern institutes of technology.
- Began to formalize the risk evaluation process.
- Initiated EDP plans to develop a Risk Management information system, including concentrations of risk, loss trends and cost projections.
- Commenced claims and contracts education seminars for special interest groups.

DEPARTMENTAL SUPPORT SERVICES

ADMINISTRATIVE SERVICES

FUNCTIONS

- Implement administrative policies and procedures established by the department.
- Plan, prepare, produce and distribute publications. Assist senior management to identify other communication needs and coordinate the resulting public information programmes.
- Provide consultation and serve as the focal point for the development and maintenance of Treasury's EDP and word processing plans, provide EDP and word processing systems support to the department.
- Supply administrative services for the department, including parking, security access and telecommunication requirements.
- Plan, develop and implement space requirements for Treasury. Provide maintenance of office space. Obtain furniture as required (new and replacement) and arrange the installation of new equipment.
- Provide library materials and services to support the department's information needs, and perform custodial duties related to the collection of official documents.
- Provide consulting services in the design of forms, the evaluation and improvement of records systems and supply technical advice on the selection of photocopiers, micrographics and storage equipment.
- Coordinate meetings, seminars and conferences for divisions.

HIGHLIGHTS

- Reviewed the design and coordinated the production and distribution of the publications listed in Appendix C (i), and three specialized publications: "Treasury Bills", "The Road to Recovery: Restoring Investor Confidence" and "Financing in Canada". A total of 69,237 volumes were distributed. Continued enhancement of employee communication through surveys and

improvements to the TREASURY STAFF MATTERS newsletter.

- Coordinated the functioning of a network of seven word processing centres, consisting of 42 terminals in three buildings. Provided in-house user and operator education.
- Assisted Tax Policy on several EDP projects relating to personal and corporate income tax projections: Investment Systems and Settlements on the enhancement of the CCITF system and other finance-related systems; Revenue Administration on the development of the AFFDA registration system and the procurement and development of the Crown Debt Collection system.
- Responded to approximately 5,200 staff requests for information through the libraries.
- Developed in-house records management courses and coordinated the secure transfer of departmental records.
- Completed office moves and renovations through Public Works, Supply and Services to meet the ongoing needs of the department.
- Coordinated the planning and the implementation of the Calgary office for Corporate Tax Administration branch and Revenue Administration division to better assist the public in southern Alberta.

FINANCIAL SERVICES

FUNCTIONS

- Establish and maintain accounting records and procedures for the department, ensuring adequate financial control.
- Prepare annual departmental budget and monitor expenditures throughout the fiscal year.
- Provide administrative support for provision of supplies and equipment.
- Administer attachment of wages and salaries of government employees, pursuant to the Civil Service Garnishee Act and federal statutes.

- Monitor contracts with the private sector entered into by the department.
- Administer Workers' Compensation payments on behalf of all government employees.
- Act as transfer agent and registrar for debentures issued by the Province of Alberta, the Alberta Municipal Financing Corporation, the Alberta Universities Commission, Governors of the University of Alberta, the Alberta Resources Railway Corporation and the Alberta Government Telephones Commission.
- Administer interest payments on fully registered debentures and account for negotiated coupons and redeemed debentures for publicly-held securities.
- Provide a central safekeeping service to government.
- Facilitate the initial distribution of certificates on new debenture issues.
- Provide control on the issuance of Treasury Bills and account for the matured certificates.

HIGHLIGHTS

- Completed a feasibility study with respect to the proposed use of automated support in preparing Treasury's annual budget.
- In conjunction with the Attorney General's department, recommended and obtained approval for increases to garnishee exemption levels allowed under the Rules of Court.
- Implemented enhancements to procedures for recording cash receipts.
- Established and implemented operating procedures for the inventory control of Treasury Bills.
- Administered the issuance of two new Alberta Municipal Financing Corporation debenture issues and arranged for the provision of transfer facilities outside Edmonton.
- Commenced with the requirements definition of an automated public debt system to accommodate renewed debt activity.

PERSONNEL SERVICES

FUNCTIONS

- Liaise with Personnel Administration Office with respect to all matters pertaining to the personnel of the department.
- Administer the pay and benefits programme and the collective agreements between the government and the Alberta Union of Provincial Employees as they relate to Treasury.
- Provide advice and assistance to the department in staffing, development and use of personnel resources.
- Recruit and select personnel by establishing standards for screening and selection, conducting interview panels, providing input as to selection, including reference checks, and coordinate advertising of vacant positions.
- Analyse requests for position classification or reclassification including conducting job audits.
- Conduct personnel induction interviews to familiarize all new employees with Treasury's conditions of employment, employee benefits, policies and procedures, etc. and exit interviews for those persons leaving the employ of Treasury.
- Arrange and conduct staff training and development seminars for department personnel.

HIGHLIGHTS

- Handled more employment applications than ever before, although there was an overall reduction in the number of employees recruited compared to the last fiscal year. Use of improved word processing capabilities has allowed Personnel Services to communicate to candidates their standing in the competitive process without undue delay.
- Placed greater emphasis on use of internal training and development resources. As well, courses have been continually evaluated and modified to meet the changing needs of Treasury employees.

- The following tables indicate personnel statistics for the fiscal year:

**Alberta Treasury
Position Establishment by Division/Section
as at 31-Mar-83 (a)**

	Occupied	Vacant	Total
Provincial Treasurer's Office (b)	3	—	3
Deputy Provincial Treasurer's Office	8	3	11
Associate Deputy Provincial Treasurer's Office	3	—	3
Banking and Cash Management	11	—	11
Finance Planning and Analysis	10	2	12
Investment Management	27	2	29
Investment Systems and Settlements	12	—	12
Project Investments	7	1	8
Controller's Office	5	—	5
Accounting	38	—	38
Disbursement Control	78	7	85
Financial Control Standards	14	6	20
Payroll and Pensions	143	19	163
Pension Boards Secretariat	8	1	9
Budget and Management			
Budget Bureau	23	4	27
Bureau of Statistics	60	1	61
Fiscal Policy and Economics			
Budget Planning & Economics	12	1	13
Tax Policy	8	1	9
Revenue and Administration			
Administrative Services	22	1	23
Corporate Tax Administration	190	20	210
Financial Services	19	—	19
Personnel Services	7	—	7
Revenue Administration	21	1	22
Corporate Management Services	4	—	4
Risk Management and Insurance	20	—	20
	1,000	100	1,100

- (a) Not including Treasury Branches. The number of persons employed by Treasury Branches at 31-Mar-83 was 2,679.
 (b) Excludes Provincial Treasurer and his Executive Assistant.

**Position Establishment
at 31-Mar-83 by Classification (a)**

	Occupied	Vacant	Total
Managerial	183	14	197
Professional	88	17	105
Technical	90	11	101
Support	386	24	410
Other	3	—	3
	<u>750</u>	<u>66</u>	<u>816</u>

(a) Excludes Alberta Treasury Branches

**Personnel
Selected Transactions
During Fiscal Year 1982/83 (a)**

	Hirings	Separations	Positions Classified And Reclassified
Managerial	23	5	13
Professional	56	20	63
Technical	35	13	39
Support	152	86	129
Other	1	5	—
	<u>267</u>	<u>129</u>	<u>243</u>

(a) Excludes Alberta Treasury Branches

APPENDIX A(ii)
BUDGETARY EXPENDITURE
CLASSIFIED BY OBJECT

	For the Year Ended	
	31-Mar-83	31-Mar-82
	(a)	
	(\$ thousands)	
MANPOWER:		
Salaries – Permanent Positions	18,202	14,114
Salaries – Non-Permanent Positions	1,322	861
Wages	1,133	900
Payments to Contract Employees	262	181
Employer Contributions	1,837	1,618
Allowances and Benefits	113	114
Total Manpower	22,959	17,788
SUPPLIES AND SERVICES:		
Travel Expenses	645	728
Advertising	21	14
Insurance	7,406	5,946
Freight and Postage	722	437
Rentals	440	238
Telephone and Communications	112	78
Repairs and Maintenance – Machinery and Equipment	110	47
Contract Services Including Professional, Technical & Labour Services	3,335	3,514
Data Processing Services	13,173	11,158
Hospitality	35	28
Materials and Supplies	1,308	1,308
Total Supplies and Services	27,387	23,508
GRANTS:		
Grants to Individuals	83,317	28,729
Grants to Non-Profit Organizations	14	18
Total Grants	83,331	28,747
PURCHASE OF FIXED ASSETS:		
Purchase of Data Processing Equipment	354	14
Purchase of Audio Visual Equipment	8	3
Purchase of Reproduction Equipment	242	15
Purchase of Office Equipment	54	180
Purchase of Furniture	1	—
Purchase of Other Assets	1	3
Total Purchase of Fixed Assets	660	215
OTHER:		
Payments to Members of the Legislative Assembly & Executive Council	38	34
Pension Payments	11	8
Interest and Bank Charges	31,877	21,399
Total Other	31,926	21,777
TOTAL DEPARTMENT	146,001	89,872
(a) Unaudited		

APPENDIX A(ii)
BUDGET ESTIMATES, SPECIAL WARRANTS, TRANSFERS AND EXPENDITURES
CLASSIFIED BY VOTE

	1982-83 Budget Estimates	1982-83 Special Warrants and Transfers	1982-83 Total Authorized	Expenditure for the Year Ended	
				31-Mar-83 (a)	31-Mar-82
(\$ thousands)					
Vote 1: DEPARTMENTAL SUPPORT SERVICES					
Provincial Treasurer's Office	211	—	211	187	173
Deputy Provincial Treasurer's Office	881	—	881	784	766
Administrative Services	884	(18)	866	883	718
Personnel Services	388	—	388	401	387
Financial Services	888	18	906	618	588
Total Vote 1	2,312	—	2,312	2,872	2,632
Vote 2: STATISTICAL SERVICES					
Bureau of Statistics	2,387	—	2,387	2,088	1,888
Total Vote 2	2,387	—	2,387	2,088	1,888
Vote 3: REVENUE COLLECTION AND REBATES					
Revenue Administration	2,148	280	2,428	2,348	1,882
Farm Fuel Distribution Allowance	75,508	(3,700)	71,808	63,317	38,728
Remissions	1	—	1	—	—
Compensation to Bulk Dealers	128	—	128	108	78
Commissions to Agents	480	—	480	438	387
Compensation to Agent Dealers	110	—	110	83	102
Corporate Tax Administration	11,884	2,888	14,772	17,148	7,382
Total Vote 3	88,788	8,888	97,676	83,485	56,314
Vote 4: FINANCIAL MANAGEMENT, PLANNING AND CENTRAL SERVICES					
Controller	182	30	212	200	187
Financial Control Standards	1,118	(20)	1,098	788	712
Accounting	2,067	28	2,095	2,088	1,888
Payroll and Pensions	7,914	(28)	7,886	7,847	8,188
Disbursement Control	8,880	—	8,880	8,823	8,870
Budget Bureau	1,031	—	1,031	888	828
Budget Planning and Economics	878	—	878	878	888
Tax Policy	318	—	318	347	332
Corporate Management Services	201	18	218	228	188
Investment Management	1,887	(28)	1,859	1,848	1,427
Investment Systems and Settlements	1,881	(188)	1,693	1,882	1,184
Project Investments	481	—	481	301	237
Finance Planning and Analysis	828	—	828	484	888
Banking and Cash Management	488	—	488	444	384
Risk Management and Insurance	3,348	88	3,436	3,884	3,888
Workers' Compensation					
Government Employees	3,488	848	4,336	4,343	3,124
Retiring Gratuity	8	8	16	11	8
Previous Years Unemployment Insurance	—	—	—	—	181
Total Vote 4	32,882	888	33,770	32,887	27,888
Vote 5: PUBLIC DEBT SERVICE					
Debt Issue and Service Charges	8	—	8	8	8
Debt Interest	24,372	888	25,260	24,284	21,718
Securities Administration	221	—	221	221	188
Total Vote 5	24,601	888	25,489	24,504	21,904
Vote 6: PUBLIC SERVICE PENSION POLICY					
Pension Boards Secretariat	—	—	—	—	—
Total Vote 6	—	—	—	—	—
TOTAL DEPARTMENT	111,477	9,776	121,253	118,974	108,834

(a) Unaudited

Appendix A(iii)
HOLDINGS OF INVESTMENT PORTFOLIOS MANAGED BY ALBERTA TREASURY
AT 31-MAR-83
IN \$ MILLIONS (Unaudited)

	ALBERTA HERITAGE SAVINGS TRUST FUND (a)					
	GENERAL REVENUE FUND	PENSION FUND	SECTION 10	CANADA INVESTMENT DIVISION	ALBERTA INVESTMENT DIVISION	ENERGY INVESTMENT DIVISION
Deposits in the Consolidated						
Cash Investment Trust Fund	393	47	117			
Money Market Securities	358	881	304			
Bonds and Debentures:						
Alberta, direct and guaranteed	294	22	4		7,604	
Others	207	770	268	1,903	88 (c)	25
Equities	95	155			488	
Mortgages and Real Estate Funds	56	34				
Total Investments	1,402	1,709	693	1,903	8,169	25

(a) Excludes Capital Projects Division

(b) Excludes long-term investments managed by Treasury Branches Deposits Fund

(c) Includes Province of Alberta participation in Syncrude Project

COMMERCIAL INVESTMENT DIVISION	AMFC SINKING FUND	TREASURY BRANCHES DEPOSITS FUND (b)	WORKERS COMPNSTN BOARD - LONG TERM ACCOUNT	ALBERTA HERITAGE SCHOLARSHIP FUND	ALBERTA HERITAGE FOUNDATION FOR MEDICAL RESEARCH ENDOWMENT FUND	OTHER PORTFOLIOS
32	17 100	290	23 164	14 41	62 110	745 23
11 156	100 337		24 483 50 25	42 8 8	178 18 30	40 79
<u>100</u>	<u>682</u>	<u>290</u>	<u>770</u>	<u>113</u>	<u>305</u>	<u>842</u>

APPENDIX B
ACTS ADMINISTERED BY ALBERTA TREASURY
AS AT 31-MAR-82

Alberta Corporate Income Tax Act
Alberta Heritage Savings Trust Fund Act
Alberta Income Tax Act
Alberta Municipal Financing Corporation Act
Appropriation Acts
Civil Service Garnishee Act
Financial Administration Act
Fuel Oil Administration Act
Government Emergency Guarantee Act
Government Land Purchases Act
Local Authorities Pension Act
M.L.A. Pension Act
Municipal Debentures Act
Municipal Land Loans Act
Pari Mutuel Tax Act
Pension Fund Act
Public Service Administrative Transfers Act
Public Service Management Pension Act
Public Service Pension Act
Special Forces Pension Act
Statistics Bureau Act
Tobacco Tax Act
Treasury Branches Act
Universities Academic Pension Act
Utility Companies Income Tax Rebates Act

APPENDIX C

PUBLICATIONS AVAILABLE FROM ALBERTA TREASURY

Many branches and divisions of Alberta Treasury publish information about their programmes and operations. The following publications are available from:

- i Administrative Services, Rm. 423, Terrace Building (9515 – 107 St., Edmonton, T5K 2C3) or by calling 427-3072:

Alberta Treasury Annual Report
 Alberta in Perspective
 Alberta Budget Documents
 Budget Address
 Programme Estimates
 Supplementary Information—Element Details
 Programme Structure Chart
 Budget Highlights
 Public Accounts—Volumes I, II and Supplement
 Financial Summary and Budgetary Review
 Alberta Heritage Savings Trust Fund Annual Report
 Alberta Heritage Savings Trust Fund Quarterly Reports
 Alberta Heritage Savings Trust Fund Estimates
 Alberta Municipal Financing Corporation Annual Report
 Organization of the Government of Alberta

- ii The Alberta Bureau of Statistics, Information Services, at the Sir Frederick W. Haultain Building (9811 – 109 Street, Edmonton, T5K 0C8) or by calling 427-3058.

TITLE	FREQUENCY
Alberta Quarterly Population Growth	Quarterly
Alberta Statistical Review	Quarterly
Alberta Statistical Review	Annual
Alberta Fact Sheet	Annual
Alberta Pay and Benefits	Annual
Place to Place Price Comparisons for Selected Alberta Communities	Annual
Alberta Retail and Service Trade Statistics	Annual
Alberta Principal Manufacturing Statistics	Annual
Population Estimates by Census Divisions, Alberta	Annual
Personal Income by Census Divisions, Alberta	Annual
Alberta Economic Accounts	Annual
Census Division Population Projections, Alberta	Occasional
Population Projections, Alberta	Occasional
Provincial Electoral Districts for Alberta	Occasional
Alberta Census Enumerators' Manual	Occasional
The Input-Output Structure of the Alberta Economy	Occasional
An Historical Profile of the Alberta Family	Occasional

"CANSIM" Summary Reference Index and Series
Directory Alberta
NEWSTATS: 1981 Census Information
NEWSTATS

Periodic
Periodic
Periodic

- iii The Tax Information Services unit of Corporate Tax Administration at the Sir Frederick W. Haultain Building (9811 - 109 Street, Edmonton, T5K 2L5) or by calling 427-0712.

TITLE

FREQUENCY

Information Circulars
Interpretation Bulletins
Tax forms and guides to their completion

Occasional
Occasional
Occasional

- iv In addition, the Alberta Treasury Branches' Annual Review is available from the Head Office at the Ninth Street Building (9925 - 109 St., Edmonton, T5J 2N6) or by calling 427-2721.

APPENDIX D
EXECUTIVE OF THE DEPARTMENT
AS AT 31-MAR-82

Provincial Treasurer
Deputy Provincial Treasurer
Superintendent, Treasury Branches
Controller

Assistant Controller – Accounting
Director, Accounting
Director, Disbursement Control
Director, Financial Control Standards
Director, Payroll and Pensions
Director, Pension Boards Secretariat

Associate Deputy Provincial Treasurer – Finance

Assistant Deputy Provincial Treasurer – Finance Programmes
Director, Finance Planning and Analysis
Director, Banking and Cash Management

Chief Investment Officer

Assistant Deputy Provincial Treasurer – Budget and Management

Director, Budget Bureau
Director, Bureau of Statistics

Assistant Deputy Provincial Treasurer – Fiscal Policy and Economics

Director, Budget Planning and Economics
Director, Tax Policy

Assistant Deputy Provincial Treasurer – Revenue and Administration

Director, Administrative Services
Director, Financial Services
Director, Personnel Services

Executive Director, Corporate Tax Administration

Director, Operations
Director, Audit
Director, Interpretations and Appeals
Director, Systems

Director, Revenue Administration

Executive Director, Corporate Management Services

Director, Risk Management and Insurance

Hon. Lou Hyndman
A.F. Collins
R.O. Holgate
A.D. O'Brien
A.G. Heisler
R.A.G. Lowen
T.W. Burns
M.H. Mylod
E.J. Wilcox
J.E. Faries
A.J. McPherson
J.M. Drinkwater
J.A. Zatko
D.R. Bishop
S.J. Susinski
C.A. MacKenzie
G.G. Trogen
H.W. Ford
G.L. Duncan
L.G. Morrison
L.H. Landry
A.H. Kalke
M.D. Faulkner
L. Hellweg
G.C. Randall
E.A. Anderson
L.M.L. Rokosh
C. Calarco
J.R. Allan
J.W.K. Parton
J.D. Peters
H.H. Strohbach
D. Murray

POOR

QUALITY

ORIGINAL